

MEMORANDUM

TO: Los Molinos Mutual Water Company
FROM: Candace Owens
SUBJECT: Memorandum of Agreement Regarding Use of Clough Ranch Water Rights by LMMWC for 2014 Fishery Flows.

When executed by the appropriate official at Los Molinos Mutual Water Company, this memorandum shall constitute the written agreement of the undersigned, owners of what is known as the Clough Water Right under the Los Molinos River Adjudication, to the following:

1. We agree that Los Molinos Mutual Water Company, in its capacity as Watermaster of Mill Creek under the Decree (the "Decree") entered in the matter of *Los Molinos Land Company v Clarence V. Clough, et al, Tehama County Superior Court No. 3811*, may, subject to the conditions described below, utilize a proportionate share of the flows allocable to us under the Clough Water Right for purposes of maintaining in stream flows in Mill Creek as required under those certain agreements between LMMWC and National Marine Fisheries Service and LMMWC and the California Department of Fish and Wildlife (collectively the "Mill Creek 2014 Fishery Agreements") dated May 16th 2014 and May 13th 2014, respectively.
2. Water under the Clough Water Right, if required for implementation of the Mill Creek 2014 Fishery Agreements, shall be reduced by LMMWC proportionately with all water subject to regulation under the Decree, it being the intent hereof that diversion to us of water under the Clough Water Right shall be reduced in a proportion that reflects the quantity of the Clough Water Right then existing in comparison to the total water then required to meet the Mill Creek 2014 Fishery Agreements, as follows:

During the Base flow requirement the Clough Water Right will contribute 2.5cfs of their water Right to maintain a Base Flow of 50cfs as outlined in the MOU that LMMWC has with the fish agencies or contribute 1.25cfs if the base Flow is lowered to 25cfs. During Pulse Flows as outlined in MOU with agencies Clough Water Right will contribute 1cfs if the stream flow at MLM shows 130cfs pre diversion and up to 5cfs if the stream flow at MLM is 129 or less.

3. The agreement by us is an accommodation for purposes of cooperating with LMMWC in meeting the requirements of the Mill Creek 2014 Fishery Agreements and shall not constitute, nor be construed or interpreted as, a limitation or qualification of the seniority or priority accorded to the Clough Water Right under the Decree. This agreement shall terminate and be of no force and effect upon termination of the Mill Creek 2014 Fishery Agreements, or December 31, 2014, whichever occurs first. From and after the termination of this agreement, the water rights of the Clough Ranch, and the priority accorded to those rights, will be restored as per the Decree.
4. This agreement shall not be extended or renewed, nor shall the undersigned, by their execution hereof, be considered to have offered or dedicated any portion of their Clough Ranch water right to in stream usage by LMMWC except as described herein.

LOS MOLINOS MUTUAL WATER COMPANY

Dated: 6/17/2014Warrell E. Muller

CLOUGH RANCH

Dated: 6-18-14Candace Owens